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C O N F I D E N T I A L SECTION 01 OF 02 KYIV 000764

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TAGS: [PREL](#) [PGOV](#) [IS](#) [UP](#)
SUBJECT: UKRAINE: AN AD HOC ISRAEL POLICY -- BALANCING
ECONOMIC INTERESTS AND HISTORICAL TIES

REF: A. 2006 HUMAN RIGHTS REPORT
[1](#)B. 06 KYIV 4431
[1](#)C. 06 KYIV 4106
[1](#)D. 06 KIEV 3694

Classified By: Political Counselor Kent Logsdon for reasons 1.4(b,d)

[1](#)1. (C) Summary: Israel is home to a half million Ukrainian immigrants and the two countries had \$372 million in bilateral trade in 2006. Despite Ukraine's remaining Jewish population and the large diaspora in Israel, Ukraine's relations with the Jewish State were characterized as "ad hoc" by several of our interlocutors. Afraid to disrupt its trade with the Arab world, Ukraine has followed a policy the Israeli DCM described as within the bounds of the EU but closer to that of France. Ukraine is still a member on the UN Committee on the Exercise of the Inalienable Rights of the Palestinian People, despite abstaining on the most recent vote to abolish it and an Israeli request for Ukraine to withdraw. The January 2007 visit of opposition leader and former PM Yuliya Tymoshenko to Israel underscores the importance of the political relationship between Ukraine and Israel. President Yushchenko's 2006 trip to Israel appears to have been canceled because of the ongoing controversy over the anti-Semitic rhetoric disseminated by the Interregional Academy of Personnel Management (MAUP); however it is possible that the trip may be rescheduled for the latter half of 2007. End summary.

Ukrainian Jews' Importance in both Ukraine and Israel,

[1](#)2. (U) The tragic history of Ukraine's Jewish population is an important backdrop to any analysis of relations between Israel and Ukraine. Ukraine, as part of the Pale of Settlement, has long had a substantial Jewish population and is the birthplace of many important developments in Jewish religious tradition. The grave of one of the founders of the Hassidic movement, Rebbe Nachman, is located in the Ukrainian town of Uman and is an important site of pilgrimage (ref D). At the end of the nineteenth century it is estimated that 43 percent of the over 5 million Jews in the Russian Empire lived in Ukraine. In addition to restrictions on their place of residence, Jewish enrollment at higher educational institutions was regulated by quota and Jews were barred from owning land in many areas. Ukraine's large and oppressed Jewish population was a significant source of immigrants to Palestine (and later Israel), including many who would shape the destiny of the Jewish State. Former Israeli Prime Minister Golda Meir was a native of Kyiv who immigrated to the U.S. as a child before settling in Palestine as a young adult, while the founder of the Igun, a precursor to the Likud Party, Vladimir Jabotinsky, was born in Odesa.

[1](#)3. (U) Although legal discrimination against Jews was largely

dismantled at the time of the Russian Revolution, and several early leaders of the Bolshevik regime, including Leon Trotsky, were Ukrainians of Jewish heritage, Jews faced continuing discrimination, vestiges of which persist in Ukrainian society (ref A), and emigration restrictions. Despite these restrictions and immigration controls imposed by the British Mandate authorities, thousands of Jews from Ukraine managed to move to Palestine prior to the Second World War. After the ravages of the war and the Holocaust, immigration to Israel waxed and waned during periods of Soviet repression or thaw. When the last impediments to emigration were removed in the 1980's, the bulk of Ukraine's Jewish population departed -- many for Israel. According to the head of the Association of Jewish Organizations and Communities in Ukraine, Joseph Zissels, at least 500,000 Israeli citizens were born in Ukraine.

14. (U) Zissels noted that there are 90,000 Ukrainians who identified themselves as Jewish during the last census in 1989, while approximately 170,000 were born to a Jewish mother and 370,000 are eligible to immigrate to Israel because of their heritage. Zissels notes that the Ukrainian Jewish population is now elderly and dwindling, with the death rate five times greater than the birth rate. Zissels estimates that 2,000 Ukrainians immigrate to Israel annually while 1,300 return, but he anticipates that the population flow between the two countries will reach equilibrium in 2 or 3 years. Although less than one percent of Ukraine's population are Jewish, Jews still play a significant role in Ukrainian society. Five percent of Rada members and several 'oligarchs' are Jewish.

And Significant Trade and Business Ties...

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15. (C) According to the Global Trade Atlas Israel was the 37th largest importer to Ukraine in 2006, sending about \$90 million worth of goods and services and was the 35th largest export destination for Ukraine, receiving about \$282 million worth of goods and services. Israeli Embassy DCM Shahar Arieli said Israel imports fertilizer and plastic products from Ukraine, usually on the basis of separate deals. Arieli noted that there are 15 Israeli companies that operate in Ukraine, mostly in the communications, IT, and pharmaceutical sectors, and remarked that several are headed by former Ukrainians. Zissels opined that several Ukrainians who immigrated to Israel have returned to pursue business opportunities as the economy here restructures. Arieli said plans for cooperation in the defense sector are "stuck" because the deals require Russian permission, which has not been forthcoming. Arieli said about one thousand Israelis live in Ukraine. Both Arieli and MFA Israel Desk Officer Oleh Lypsky noted that there are ongoing bilateral negotiations over a free trade agreement.

Are Not Reflected in Ukrainian Policy Towards Israel

16. (C) While Arieli speculated that Yuliya Tymoshenko visited Israel partially due to the presence of the large Ukrainian diaspora there, he noted the Jewish population in Ukraine and the diaspora in Israel have not had much influence on Ukrainian policy towards Israel. This policy was within the bounds of EU member states, but closer to that of France. Arieli opined that Ukraine did not have a well thought-out strategy towards the Middle East. Instead, ties to Israel conflict with Ukraine's substantial trade with several Arab states and the potential that the Middle East could be an alternative supplier of energy resources. Kyiv-based Institute for Middle East Studies Director Alexander Bogomolov characterized Ukraine's policy as "ad hoc." Zissels remarked that most MFA officials are "Soviet school" and "disposed toward the Arab world."

¶7. (C) Both Zissels and Arieli cited the presence of Ukraine on the UN Committee on the Exercise of the Inalienable Rights of the Palestinian People as an example of a misguided policy and unnecessary source of irritation. Ukraine's presence on the Committee is a legacy from the Soviet period that, according to Arieli, gives the body legitimacy. The head of the MFA's UN Directorate Andriy Beshta told us that Ukraine had not agreed to an Israeli request to withdraw because it would not help Israel and complicate Ukraine's relationship with Arab countries. Despite continuing its presence on the Committee, Ukraine abstained on the most recent vote to abolish it (ref C).

¶8. (U) Bogomolov and Zissels lamented that the political process in Ukraine does not provide a channel for public sentiment to be reflected in government policy as it does the U.S. Zissels is hopeful that Ukrainian policy towards Israel will change as Ukraine moves closer to the West and noted that the Jewish Ukrainian oligarchs could theoretically play a significant role in shaping policy toward Israel, but they have thus far shown little inclination to do so.

Yushchenko Visit Derailed by MAUP Controversy

¶9. (C) Lypsky noted that political consultations occur semi-annually at the level of Deputy Minister, but last year's planned visit to Israel by Yushchenko was canceled due to "objective circumstances." Arieli said that he had read press reports claiming that the Yushchenko visit was called off because of fears that Yushchenko would have to face difficult questions about the anti-Semitic rhetoric disseminated by MAUP and Ukraine's perceived weak response (ref C). Arieli commented that he "did not disagree" with this assessment. Lypsky said that there are plans for Yushchenko to visit in the latter half of 2007 but it was unclear if the MAUP controversy would be resolved by then.

¶10. (U) Visit Embassy Kyiv's classified website:
www.state.sgov.gov/p/eur/kiev.
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